

19. SURVEY CONTROL REVIEWS

The need to review surveys is a requirement of the Prime Minister's Instructions for controlling government statistical surveys. These instructions underline the need to review all regular surveys of business and local authorities with an emphasis especially on: the need for the information (evaluating the reason for conducting the survey); the conduct of the survey; costs; respondents' views; users' views; and options for change.

There are two types of review, depending on the frequency of the survey. Surveys that are conducted on a monthly or quarterly basis are subject to review every three years (triennial review) and surveys that are conducted less frequently than quarterly, e.g. annual inquiries, are subject to review every five years (quinquennial review).

The Quality, Methods and Harmonisation Tool (QMHT) provides a template for analysis of respondent and user information and a method of self-evaluation by the area conducting the survey.

1 Name of the survey or output being evaluated

Annual Survey of Hours and Earnings (ASHE)

2 Date when review was begun

July 2010

3 Name of the person completing this

Recommended level is Grade 7 or experienced SEO

If filled in by other grade state name of person completing it and the grade 7 who signed it off

Completed by Ryan Pike (SO), signed off by Mark Williams (G7)

4 Which department/organisation do you work for?

Office for National Statistics

5 Your contact details

Email ryan.pike@ons.gov.uk

Telephone 01633 45 5159

6 If this survey/output is produced jointly with another department or organisation please state which other department(s)/ organisation(s) this is

N/A

Key facts

7

When did the survey being reviewed commence?

2004

8

Is the survey statutory or voluntary?

Statutory (Please state under which law/ act the survey is statutory)
Voluntary

Statistics of Trade Act 1947.

9

What is the periodicity of the survey?

Monthly
Quarterly
Annual
Ad hoc
Other (Please specify below)

10

Please give a summary of the information that the survey collects.

ASHE collects information on the levels, distribution and make-up of earnings and hours paid for employees within industries, occupations and regions in the UK. It also collects information about workplace pension arrangements and annual leave entitlement.

11

What is the target population of the survey?

Employee jobs in the UK.

12

What is the sample size of the survey?

Approximately 250,000 employee jobs are identified in the sample provided by HM Revenue and Customs (HMRC). This is a 1 per cent random sample of employee jobs registered to Pay As You Earn (PAYE) schemes. The final dataset of responses contains approximately 180,000 jobs.

13

Which sampling frame is used for the survey?

- Interdepartmental Business Register (IDBR)
- Pay As You Earn (PAYE)
- Postcode Address File
- Electoral Register
- Experian
- Reference list
- Another survey's sample (please specify)
- Other (please specify)

14

What are the anticipated and achieved response rates for the latest period for the survey?

Anticipated: approximately 60% of the employee jobs for which data is requested. The target for Data Validation Branch is given as a number of records (164,000), rather than as a response rate

Achieved: 63% in terms of employee jobs, 55% in terms of individual respondents.

15

Who are the users of the survey?

ONS: Pensions Analysis Unit, National and Regional Accounts, Labour Market Division, Business Statistics Division.

Government departments and devolved administrations HMRC, HM Treasury (HMT), Dept Work and Pensions (DWP), Dept Business, Innovation and Skills (BIS), Office of Manpower Economics (OME), Low Pay Commission (LPC), Government Equalities Office (GEO), Equality and Human Rights Commission (EHRC), Government Actuaries Dept (GAD), Dept Communities and Local Government (DCLG), Department of Health (DoH), Bank of England (BoE), Home Office (HO), Dept for Education (DfE), Scottish Government (SG), Department of Finance and Personnel Northern Ireland (DFPNI), Welsh Government (WG).

Other users: Local Authorities, Academics/researchers, General public.

16

What are the key publications that the survey contributes to?

ASHE Statistical Bulletin, Gender Pay Gap news release, Low Pay Estimates, Pensions Analysis, Patterns of Pay article, Pension Trends (various publications), ASHE (Wales publication), ASHE (Northern Ireland publication), ASHE (Scotland publication), Low Pay Commission Report.

17

What is the cost to business of the survey?

(This information is the same as question 57 in the Burden and Respondents section of this tab)

£2,429,000

18

What is the cost to government of the survey?

The estimated cost to government for the 2010 ASHE survey was £1,377,812. This includes direct staff costs, IM provisions and indirect costs such as heating and lighting.

Background and progress since the last review

This section gives some background to the survey and states the progress made in improving the survey since the last review.

19

Brief history of the survey

ASHE was introduced in 2004 to replace the New Earnings Survey (NES), which ran from 1970 To 2003. ASHE produces statistics for the UK, while NES was for GB only. As well as the difference in coverage between NES and ASHE, ASHE results are also weighted to employee population totals from the Labour Force Survey (LFS), while imputation is used for item non-response.

The ASHE methodology was applied retrospectively to the NES datasets from 1997 to 2003 in order to produce a time-series of UK statistics on the ASHE basis (Northern Ireland data were, and still are, provided by the Dept Finance and Personnel Northern Ireland - DFPNI).

Since 2004, the initial HMRC sample has been supplemented by an additional sample that extends the coverage to include employees who either moved jobs between sample selection and the survey reference date, or were new to the labour market during this period.

In 2005 and 2006 some improvements were made to the questionnaire and the way in which geographic results are compiled.

In 2007 and 2008 the ASHE sample was reduced by 20 per cent. The full 1 per cent sample was reinstated in 2009 following consultation with users as to the impact of the sample cut.

20

What was the date of the last survey review?

N/A - the current review is the first for ASHE.

21

What were the recommendations from the last review?

N/A

22

Have all the recommendations been implemented?

Yes

No (Please explain why & give details of progress made)

N/A

23**Have other changes been made to the methodology of the survey since the last review?**

Yes (Please describe changes including the impact on respondent burden)
 No

N/A

24**Do National Statistical Institutes (NSIs), in other countries run a survey similar to this one?**

Yes (Please give brief details below)
 No (Please go to question 26)

European Member States are required under regulation to Eurostat, the European statistical agency, to provide various statistics in relation to hours and earnings. In order to produce these statistics, MS need to ask similar information about employees.

Beyond Europe, broadly comparable earnings and hours statistics are produced throughout the world. Many of these countries provide earnings statistics to the International Labour Organisation (ILO).

25**How far does your survey adhere to the same broad principles and standards as the other NSIs' surveys? Include any key differences.**

Statistics submitted to Eurostat are required to meet the standards and principles set out under various regulations. This means providing earnings statistics by national, regional, industrial, occupational and sectoral breakdowns as well as by gender and full-time/part-time status. Differences tend to be minor, such as the fact that ASHE does not allow for the identification of apprentices, whereas other countries' surveys do, and the fact that ASHE is based on an unclustered, random sample of employees, rather than a stratified sample of businesses.

Beyond Europe, some examples of earnings surveys are the Survey of Employment, Payrolls and Hours (Canada), the American Community Survey (USA), and the Survey of Employee Earnings (Australia). Sampling and data collection methodologies vary: the Canadian survey uses administrative data and a survey of businesses; the American survey uses a stratified sample of households which includes the self-employed (ASHE does not); the Australian survey uses a stratified sample of employers, followed by a random sample of employees. The most prominent difference between ASHE and the surveys of other countries is the nature of the sample. The ASHE sample preserves a panel element (many of the same employees are retained from one survey year to the next), allowing for longitudinal analyses which are not possible with most other countries' data.

26**Are there any lessons that can be learnt from other countries?**

Include any areas where further harmonisation would provide benefits.

It is difficult to directly compare ASHE with the earnings surveys of other countries. This is because the ASHE sample is dependent upon the administrative systems of HMRC for collecting tax and National Insurance contributions. Other countries have different sampling frames for their earnings surveys.

Much of the data collected by ASHE is required under regulation to Eurostat. Further harmonisation of data collection between member states may result in a greater comparability of earnings and labour costs between these countries. Harmonisation with other countries would not necessarily bring benefits to UK users of ASHE. While other countries' methods may allow for greater control over the burden imposed on businesses, the ASHE benefits from an unclustered, random sample and a longitudinal element in the data.

Users and uses

This section investigates the uses of the survey and user views.

27

What is the objective for the survey that justifies its existence?

- Used to produce information needed for: Please tick all that apply
- making key national or local government decisions
 - monitoring national or local government issues
 - delivery of public services
 - satisfying EU regulations
 - European decision-making or monitoring requirements
 - another purpose (Please specify below)

Other purposes - ASHE statistics are also used by academic researchers, pay review bodies and members of the public.

28

Are you able to justify the periodicity of the survey?

- Yes, we have confirmed recently that users/sponsors have a specific need for data at this periodicity
- Not really, but the reasons we collect the data this frequently are given below (Please specify below)
- No
- Don't know

29

Are you able to justify the presence of every question asked?

- Yes, users have a specific need for every question asked
- Yes, but some data are needed purely to verify other data
- Yes, but some questions are there only to improve questionnaire focus and flow
- No, and have no current plans to address this
- Don't know
- No, but are aware some data may not be needed (Please specify below which questions are not required)

30

Where do you hold the information on justification for questions?

- In a database or registered file
- Somewhere other than a database or registered file
- Nowhere

Various documentation and correspondence with our many users.

31

Have other existing sources of similar information, including administrative or management data, been examined to ensure that the survey is still required?

- Yes - in the last five years (Please give approximate date below)
 Yes, but not in the last five years (Please say below if you have any plans to do this)
 No
 Don't know

A project to look into the possibility of using administrative data and data from payroll providers has recently started (2010) and is ongoing.

32

If other sources have been considered what were they and why were they unsuitable?

Research is ongoing.

33

What do each of the users of the survey need the data for?

Comment on all user groups

Government users:

Pensions Analysis Unit (ONS) - Analyses of microdata used to produce various pensions analyses for publications.

National and Regional Accounts (ONS) - Various uses including use as a proxy for compensation of employees and average earnings.

Labour Market Division (ONS) - Statistics used in various analyses of conditions in the labour market, feeding into publications.

Business Statistics Division (ONS) - Analyses of current and historical microdata and published statistics in order to answer parliamentary questions and various ad-hoc customer queries.

HMRC - Various routine uses including investigation of changes to rates of taxation.

DWP - Analysis of pension scheme membership, contributions and persistency of saving for policy development, monitoring and evaluation.

BIS - Data used in review body remits to analyse pay comparability. Data used for low pay and National Minimum Wage briefing, policy analyses and analyses of annual leave, agency workers and pay generally.

OME - Data used in the provision of services to public sector Pay Review Bodies and the Police Negotiating Board, which make recommendations to Government on pay for public sector workers, with an estimated paybill in excess of £80bn.

LPC - Data used to analyse the structure of earnings, monitor the impact of NMW and recommend future rates.

GEO - ASHE used in gender pay gap analyses and impact assessments

EHRC - Data used to measure and compare earnings of different groups, including analysis of the gender pay gap.

GAD - ASHE is an important input into modelling of National Insurance Contributions.

HMT - ASHE is the prime source of earnings information used in evidence-based policy making within HMT.

SG - Data used to monitor and report on earnings growth, gender pay gap and single outcome agreements at LA level.

DFPNI - Used for NI ASHE publication, monitor gender pay gap, report on public/private sectors. Also used to produce the NI Pay and Workforce Technical Annex.

WG - Data used for WAG ASHE publication. Statistics are a key performance indicator within the strategic framework. Also used in Welsh Economic Renewal Programme.

DCLG - Data used for area cost adjustments for labour costs, calculations of affordability of property purchases.

DH - Data used to estimate wage differentials at Primary Care Trust level, feeds into NHS funding. ASHE data is used in the process by which £85 billion is allocated to Local Health Authorities.

DfE - Used in comparisons of teachers' pay with other professionals and public sector workers. Evidence provided to the School Teacher Review Body.

BoE - Various analyses of earnings, hours and employment, including comparisons with other sources. BoE also have interests in sectoral splits, the distributions of earnings and the components of total pay.

HO - Migration Advisory Committee (MAC) use ASHE to inform reviews of the 'shortage occupation list'.

Non-government users:

Local Authorities - Pay reviews and other uses

Academics/researchers - Use in economic/labour market research

General Public - Various uses

34

How many users from each main user group did you approach for this review?

All government users were consulted. No non-government users were consulted.

35

How many responses did you receive to the user questionnaire for this review?

15 responses from government users. These covered all departments.

36

When invited to comment on the survey, what points did your users make?

The most common theme in the users' responses was that ASHE is a key data source in their work. The data is used to monitor and evaluate conditions in the labour market such as low pay, the gender pay gap, regional and occupational variations in pay, as well as the provision of workplace pensions. In many cases, ASHE is the only available data source for their work. Many of the users are required by law to carry out this work. For these reasons, users said that it is essential that ASHE continues with at least its current scope and sample size.

Some users said that, for some of their purposes, the quality of ASHE estimates was insufficient at small levels of disaggregation or for occupations with small samples. This is a function of the overall sample size. Improvements in the estimates at these domains would be achievable only by increasing the ASHE sample. This would result in higher costs to government and businesses and users are aware of this fact.

A number of users expressed the need or desire for additional data to be collected by ASHE. The variables mentioned were race, ethnicity, religion/belief, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, sexual orientation, educational attainment, nationality and country of birth and family background characteristics. In addition, more detailed information on some of the existing variables, such as additional pensions data, annual leave and maternity leave and the ability to identify apprentices would be of use to many users. Users recognise the difficulties associated with collecting much of this information. These difficulties fall into the following categories: Issues with the legal basis for collecting the data; the availability of the data for employers; constraints with the current ASHE questionnaire.

Some of the additional variables are identified under the Equality Act 2010 as 'protected characteristics'. It may be the case that departments are required by law, either within the UK or under regulation to Eurostat, to provide statistics covering these groups. In this case, ONS may look into the possibility of collecting the required data.

37

Specifically, what were the users' main points on the acceptability of the survey's quality when considered against the European Statistical System (ESS) dimensions of output quality?

Accuracy: 5 users said the accuracy was 'good', 6 users said the accuracy was 'very good'. One respondent said that although accuracy is good at regional levels, sub-regional data is volatile. One respondent said that information from employment agencies is of low quality and it would be useful and relevant to improve quality in this area. One respondent said that they have some uses for which the precision of ASHE estimates is not sufficient. This is due to the sample size. These relate to high and low percentiles within the earnings distribution and occupations with small samples.

Relevance: 3 users said the relevance was 'fair', 5 said the relevance was 'good', 3 said it was 'very good'

Timeliness: 3 users described the timeliness as 'fair', 5 said it was 'good', 3 said it was 'very good'. Four users said that more frequent data would be useful, though not essential.

Coherence: 1 user described the coherence as 'fair', 8 users said it was 'good', 2 said it was 'very good'

Comparability: 3 users rated the comparability as 'fair', 6 rated it as 'good', 2 said it was 'very good'

Accessibility: 1 user rated the accessibility as 'poor', 7 said it was 'good', 3 said it was 'very good'. One user commented that it would be helpful if the variable names within the micro-data files were more clearly labelled, removing the need to refer to a look-up document.

38

What are the minimum acceptable coefficients of variation (CVs)?

If these vary by domains please state range

20 - for published estimates.

39

Are the achieved CVs close to the minimum acceptable level specified?

- | | |
|-------------------------------------|-------------------------------------|
| Yes, for all or most domains | <input checked="" type="checkbox"/> |
| No, typically larger than required | <input type="checkbox"/> |
| No, typically smaller than required | <input type="checkbox"/> |
| None calculated | <input type="checkbox"/> |

40

What steps could be taken outside of this review to improve understanding of users' needs or reduce burden on respondents by reducing requirements?

We carry out consultations annually with our users in government. This ensures that we are aware of changes to our users' needs on a regular basis.

Currently, it is not possible to reduce burden on respondents as all of the information collected is required. There may be possibilities in the future to collect data electronically from HMRC or payroll providers, which may reduce or remove the need to survey employers directly. The project to investigate this possibility is ongoing. Otherwise, making arrangements for more large businesses to respond electronically would reduce the burden on those respondents.

41

What recommendations could be made based on the comments of users?

Subject to the conclusions of an internal review, it may be possible to extend the ASHE questionnaire from 4 pages to 6 pages in order to improve its layout. Under these circumstances, it might be possible to accommodate the collection of additional data, should it be required. Users recognise that any increase to the scope of data collected on ASHE would be evaluated in the context of the costs to government and burden on businesses as well as any impact on quality.

A separate consultation with users of pensions statistics has identified some improvements that could be made to the publication.

Sample Design

This section investigates the sample design of the survey in more detail focusing on the impact of the design on respondents.

42

Please summarise the main characteristics of the sample design.

The ASHE sample is a 1 per cent random sample of employee jobs registered to Pay As You Earn (PAYE) schemes. The sample is provided by HMRC, who identify all records whose National Insurance number ends with a particular number. The selection of many of the same employees from one year to the next ensures that ASHE preserves a longitudinal element in the statistics.

The sample excludes the self-employed, and the final dataset of responses excludes employees who were not paid during the reference period and members of the armed forces.

43

Are you aware of errors in the sampling frame?

Please tick all that apply

- | | |
|--|---|
| Yes, in the coverage | <input checked="" type="checkbox"/> |
| Yes, commonly occurring errors in unit details | <input type="checkbox"/> (Please specify below) |
| Yes, other errors | <input type="checkbox"/> (Please specify below) |
| No | <input type="checkbox"/> (Please say below when you last examined this) |

The PAYE system may not cover all employees whose earnings are below the National Insurance / Tax threshold and who are therefore not registered to PAYE schemes.

44

What steps have you taken to minimise the burden on small businesses specifically ?

- | | |
|---|-------------------------------------|
| Survey holidays applied to businesses in line with osmotherly rules | <input type="checkbox"/> |
| Reduced sampling fractions for small businesses | <input type="checkbox"/> |
| Use of estimation in place of sampling | <input type="checkbox"/> |
| Other (Please specify) | <input checked="" type="checkbox"/> |
| No feasible steps taken | <input type="checkbox"/> |

It is not possible to exclude individual businesses from selection for ASHE due to the nature of its sample selection. Respondents are 'selected' by virtue of the employees who fall into the ASHE sample. ONS can, however, take steps to minimise the burden on businesses when questionnaires are received. Selective editing, automatic editing, imputation for non-response and the use of validation gates all ensure that the likelihood of businesses being re-contacted is minimised.

45

What steps have you taken to minimise the burden on individual respondents more generally while ensuring users' needs will be met?

- | | |
|---|-------------------------------------|
| Clear quality requirements established up-front | <input checked="" type="checkbox"/> |
| Appropriate use made of results | <input checked="" type="checkbox"/> |
| Rotation of respondents | <input type="checkbox"/> |
| Use of efficient sample design | <input type="checkbox"/> |
| Other (Please specify) | <input checked="" type="checkbox"/> |
| No feasible steps taken | <input type="checkbox"/> |

Arrangements have been made for some respondents to respond electronically, rather than complete many questionnaires individually.

46

When did you last review the sample allocation?

Please give approximate date

In 2009 the full 1 per cent sample was restored following 2 years in which the sample was reduced by 20 per cent.

47

What recommendations could be made for changes to the sample design to improve quality or reduce burden on respondents?

In order to improve the quality of estimates, we would need to increase the sample size. In order to reduce the burden on businesses, we would need to decrease the sample size. It is not possible to select the businesses to be surveyed for ASHE because the businesses are themselves 'selected' by virtue of the employees that fall into the ASHE sample.

The longitudinal/panel element in the ASHE sample prevents ONS from decreasing the burden on small businesses, for example by stratifying the sample design. The panel element is an important factor in ASHE as it allows for longitudinal analyses that would not otherwise be possible, such as analysis of persistency in pensions coverage and the impact of pensions reform.

Data collection

This section investigates in more detail how the data is collected and validated on the survey

48

What is/are the mode(s) of data collection for the survey?

- | | | |
|--|-------------------------------------|------------------------|
| Paper self-completion questionnaire | <input checked="" type="checkbox"/> | |
| Computer-assisted self-completion interviews | <input type="checkbox"/> | |
| Computer-assisted personal interviewing | <input type="checkbox"/> | |
| Paper-based personal interviewing | <input type="checkbox"/> | |
| Computer-assisted telephone interviewing | <input type="checkbox"/> | |
| Electronic collection (e.g. web, email or spreadsheet) | <input checked="" type="checkbox"/> | |
| Telephone Data Entry | <input type="checkbox"/> | |
| Other | <input checked="" type="checkbox"/> | (Please specify below) |

ONS Data Validation Branch contact some employers over the telephone in order to validate information provided on questionnaires. This information is logged on the system that stores ASHE data.

49

Has the questionnaire been reviewed by someone with specialist knowledge in questionnaire design in the last three years?

- | | | |
|---|-------------------------------------|---|
| Yes | <input type="checkbox"/> | (Please give details below of the last expert review) |
| No, but we review the questionnaire ourselves at least every five years | <input checked="" type="checkbox"/> | |
| Not to our knowledge | <input type="checkbox"/> | |

ONS's Methodology directorate has acknowledged that the ASHE questionnaire is due for a review.

50

At which stage does validation of data items occur?

- At point of entry
- Within ten calendar days
- Longer than ten days
- No validation takes place (please give reasons why not)

51

What proportion of respondents are re-contacted to check data items?

- None
- Less than 5%
- Between 5% and 10%
- Between 11% and 20%
- Over 20%
- Comment if you wish

This estimate has been provided by the Data Validation Branch of ONS. The figure given is the percentage of returned employees, not of respondents (businesses). ONS takes steps to ensure that businesses with more than one employee in the ASHE sample are not burdened unnecessarily through re-contacting. In these cases, multiple queries are dealt with during individual re-contacts.

52

How do the systems you use minimise the burden on individual respondents due to validation of data?

- Use of checks to identify large changes (e.g. validation gates)
- Automatic edits made for common adjustable errors
- Only re-contact on errors that have the largest impact on quality (selective editing)
- Imputation of missing or suspect data items
- Provided respondents with opportunity to explain unusual values during survey
- Use of a system to share information on changes to businesses
- Other (please specify)
- No feasible steps taken (please state why)

Please state how these systems have reduced burden

Validation gates ensure that large changes from one year to the next are prioritised, meaning that responses with small changes are often not re-contacted.

The use of automatic editing means that many errors in original responses do not have to be followed up with respondents.

Selective editing ensures that responses that have the largest impact on estimates are prioritised over responses with smaller impacts, meaning that they are often not re-contacted.

The use of imputation for non-response means that respondents do not have to be re-contacted if suitable 'donor' values can be generated.

The opportunity for respondents to include explanations for unusual data can mean that there is no need to re-contact respondents.

53

What recommendations could be made for changes to the data collection and validation methods to improve quality or reduce burden on respondents?

Improvements to the design / layout of the questionnaire. Currently, there is very little scope to change the 4-page questionnaire as it is full. There may be a possibility to move to a 6-page questionnaire in the future, subject to an internal review. Improvements to the layout and clarity of the questions could potentially reduce the burden on respondents and improve the quality of data provided. Any changes or additions to the questionnaire will be evaluated in the context of the costs to government and the burden on business.

Burden and respondents

This section investigates respondents' views and how the cost to respondents is justified by the needs of users.

54

What was the selected sample size for the respondent survey for this review?

Please also state what proportion of the main sample was selected for the respondent survey

Approximately 2 thousand respondents. This is 2 per cent of the PAYE enterprises from the original March sample from HMRC.

55

What was the response rate for the respondent survey for this review?

46%

56

When invited to comment on the survey, what points did your respondents make?

43% of respondents reported that they had to collect data from different sources; 29% said that the person who completed the questionnaire needed help from others in order to answer some of the questions; 18% of respondents had to wait for information that was available at different times; 11% said that the information available to them did not match the information requested; 10% said that some of the terms used in the questionnaire were unclear or had unclear explanations;

8% of respondents provided additional comments. These are summarised below:

Around half of the additional comments were miscellaneous. These did not relate to any of the themes identified below. They comprised various comments about the nature of their administrative systems, how they access the data, the fact that they could not remember completing the ASHE questionnaire and some other comments.

The remaining comments could be grouped into the following themes:

Administrative burden - 14 respondents commented that completing the survey took up valuable resources, that they would rather not complete the questionnaire and/or that the ASHE timetable coincided with other busy administrative periods.

Availability of data - 7 respondents provided additional information about why the data requested is not always available at the time that it is requested.

Employee no longer at the business - 6 respondents noted that the employee about whom information was requested no longer worked at the business.

Improvements to the questionnaire - a few respondents suggested improvements that could be made to the ASHE questionnaire in order to facilitate its completion. None of these suggestions occurred more than once.

57

Based on replies from respondents, what have you estimated the cost to respondents to be?

(This information is the same as question 17)

£2,429,000

58

Did you assume actual response when calculating respondents' costs?

- Yes, only actual respondents costs/time assumed
- No, assumed 100% response rate but with lower cost/time for non-respondents
- No, assumed 100% response rate with no differentiation between respondents' and non-respondents' cost/time

59

Which method did you use to calculate the cost to survey respondents?

Please also provide a breakdown of the calculation, to show how you arrived at the total cost.

ONS guidance for estimating total compliance costs was used as a basis from which to calculate the above figure. The formula in this guidance uses the median time taken to complete questionnaires and the median time involved

in re-contacts. These are multiplied by a standard hourly rate and the number of respondents to the survey. Median external costs are then added on the basis of the proportion of respondents with external costs. The guidance also includes the option to 'trim' outliers from the calculation so that the median figures are not distorted by extremely high or low values.

Due to the unique way in which the ASHE sample is generated, the method used diverges from the guidance as follows:

The returned sample, from which the compliance estimate was calculated, was stratified into 5 size-bands according to the number of employees for whom the business had responded. These size bands were 1 employee, 2 employees, 3-10 employees, 11-500 employees and 501+ employees. Compliance estimates were calculated for each of the strata independently so that the considerable variation in costs between businesses in these strata is reflected in the estimate for total compliance.

As the ASHE sample includes a small number of genuine outliers (i.e. very large businesses with proportionate compliance costs), a process of 'trimming' the strata to identify outliers was judged to be inappropriate. Instead, outliers in the returned quinquennial review sample were identified manually and removed from the calculation of average compliance costs.

In order to better reflect the variety of compliance costs among ASHE respondents, mean compliance costs were used instead of medians. This is because the median compliance costs, though more 'typical' than the mean costs, did not reflect the genuine large compliance costs associated with the large respondents. This is true even within the strata, with vast differences between costs for respondents at each extreme of the size bands. Thus, using median figures resulted in an artificially low estimate of total compliance. In the higher strata in particular, mean compliance costs provided a more plausible value from which to calculate total compliance costs. It is particularly important to reflect the high compliance costs of large businesses in ASHE since they account for a considerable proportion of the employee jobs on which the results are based.

Finally, although most of the costs were estimated at the level of the respondents (individual businesses), re-contact costs were calculated at employee level, since re-contact rates were only available for employees. These were added to the total costs within each stratum.

60

Did you find that the benefits justified the cost to respondents?

- Yes (Please give an outline of the benefits justifying the cost, in the 'Yes' set of boxes below)
- No (Please explain, in the single 'No' box below, why you are going ahead with collecting the extra information)

Yes:

Type of user	Justification of the cost to respondents
Government users	The uses of ASHE data within government, set out under the 'users and uses' section of this review, cover many policy areas, including the allocation of many billions of pounds of public money (for example DCLG area cost adjustment and other examples given under Q33). This justifies the cost to respondents.
Respondent users	We are not aware of the extent to which respondents themselves use ASHE. Some businesses may make use of ASHE in order to set wages or salaries.
Other users - please specify here	

No:

61

Do you have a policy on the procedures for dealing with day-to-day complaints from both suppliers and users of information?

Please tick all that apply

- Yes - for complaints from suppliers
- Yes - for complaints from users
- No

62

What are the main causes of complaints and what action have you taken to make improvements in response to these complaints?

There are relatively few complaints, given the size and scope of the survey (there were 7 complaints in 2010). Were common themes to be identified, these would be taken forward with the relevant business area within ONS in order to establish if there is a need to take action. Examples of the complaints from the 2010 survey are that ASHE imposes an unnecessary burden on business and that respondents should be entitled to a survey 'holiday'.

63

What recommendations could be made based on the comments of respondents?

Given the nature of the ASHE sample, the need to preserve the longitudinal element and the various requirements of users in other government departments, it is difficult to propose any changes to the survey in light of the respondents' comments.

This is because respondents' comments typically relate to the administrative burden associated with their compliance. Respondents' suggestions for reducing burden are to reduce the sample and/or the amount of data that is requested, neither of which are possible if ONS is to continue to meet existing users' needs.

Independently of this, ONS could conduct a review of the questionnaire in order to identify improvements that could be made to its design and layout. Extending the questionnaire to 6 pages would allow for a less cluttered, more user friendly format with improved clarity, thereby reducing burden.

Recommendations

Each of the previous sections concluded with a description of potential improvements to the survey. This section draws together those potential changes to make recommendations arising from this review along with an action plan for implementing them. Those changes that are more ambitious or cannot be implemented at this time are also described.

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Based on the information supplied above, list the recommendations for aspects of the survey that need further improvement or investigation and your action plan for doing this work prior to the next review.

There are various other types of information that could be collected on ASHE, and some additional data relating to pensions and annual leave, that would be helpful to many users. Currently, it is not possible to implement changes to the 4-page ASHE questionnaire as it is full and somewhat cluttered. In the future it might be possible to move to a 6-page questionnaire, in which case it would be possible to accommodate a number of the changes required by users, subject to an evaluation of these needs against the associated costs to government and the burden to business.

Given the lack of available space for changes and the need to improve the layout and clarity of existing questions, a formal review of the questionnaire by ONS Data Collection Methodology (DCM) is recommended. Improvements to the layout could bring about a reduction in respondent burden, an increase in data quality and a reduction in the need for re-contacting and validation. DCM acknowledge that a review of the ASHE questionnaire is due, as this has not happened since the questionnaire was introduced in 2004.

In addition, there is a need to make information about the justification for each ASHE question more readily available. A database should be created in which the justification for each ASHE question is held, giving information about the user(s) and the particular need(s) associated with the question. This will help ONS, ASHE stakeholders and ASHE respondents understand the reasons for the survey and any changes to it.

Finally, there is a potential need to re-visit the issue of the longitudinal element in ASHE data. This should be undertaken in the context of the Electronic Data Collection project. The value of longitudinal data and alternative methods for preserving this element should be considered, along with all other user needs for ASHE.

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Please list any improvements to the survey that are not possible at this time including the barriers to implementation.